



California Energy Commission

# ***2005 Integrated Energy Policy Report***

## ***Implementing California's Loading Order for Electricity Resources***

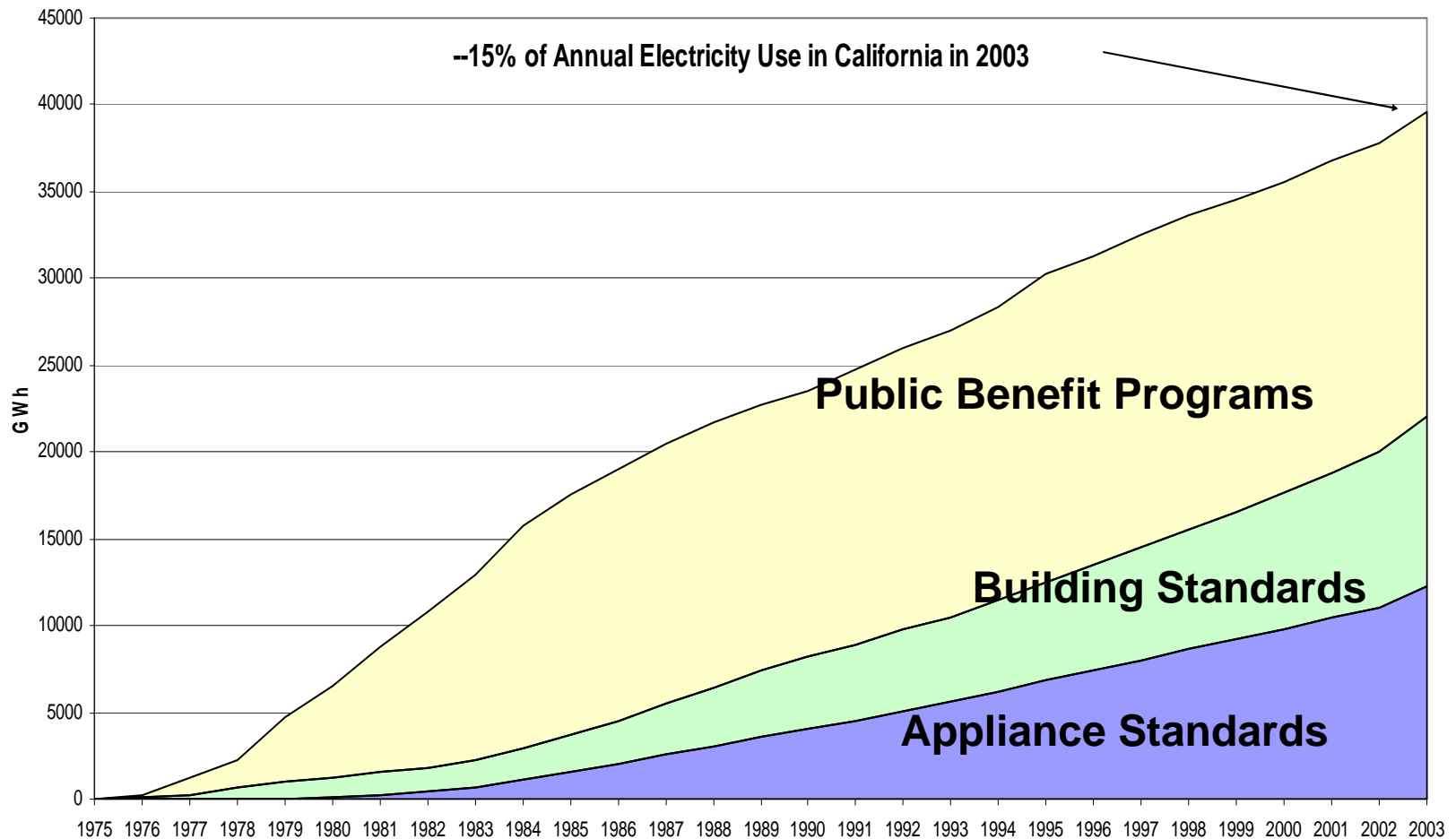
### **Energy Efficiency**

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### Energy Savings from Programs and Standards. 1975-2003





## Post-2006 Administrative and Policy Changes

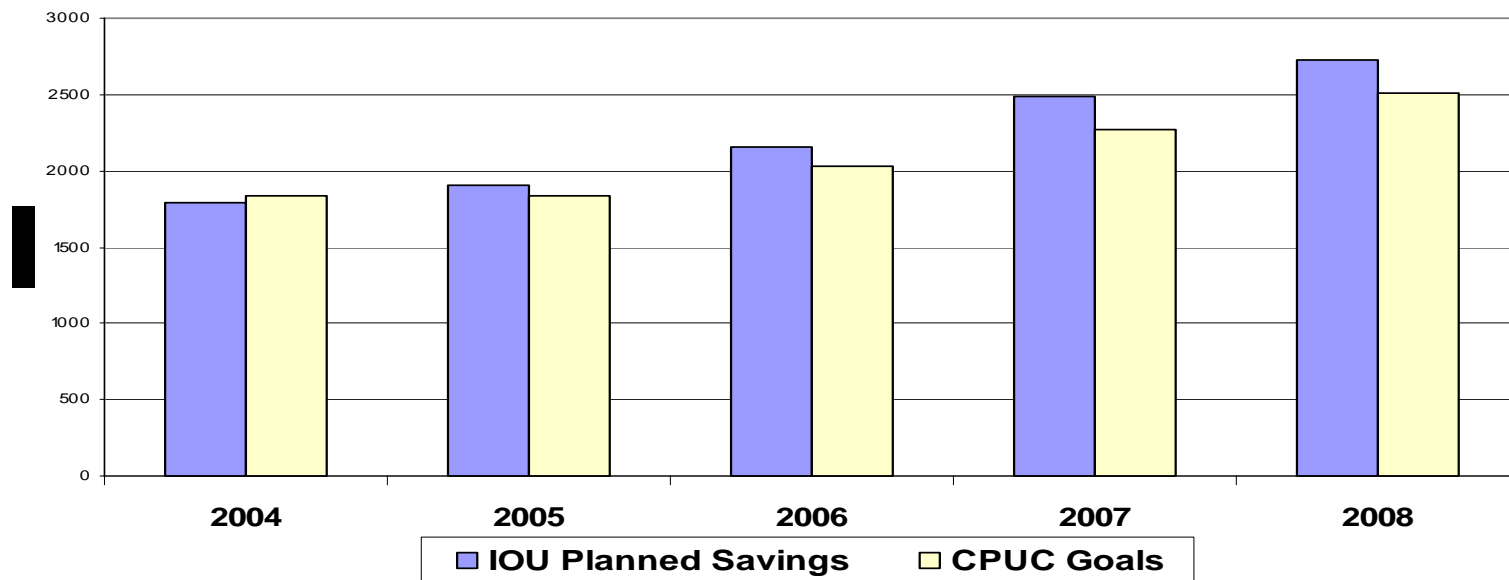
- IOUs oversee public benefit programs
- CPUC/CEC oversee evaluation and research support
- New policy rules emphasize efficiency as a reliable supply option
  - Count only installed savings, not committed
  - Use cost of capital discount rate, not social
- Publicly-owned utilities still not well connected to state planning



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# Efficiency Goals

- 2006-2008 program proposals in line to meet “aggressive” energy goals with \$2.1 billion in PGC and procurement funding. Savings will be 1,500 MW, 7,500 GWh, and 116 Mth.





## Measuring and Evaluating Progress Toward the Goals

- Separating those who evaluate from those who do programs
- New protocols to reinforce certainty of EE as viable resource option
  - Renewed emphasis on impact evaluation methods
  - Quality assurance for evaluations
  - Counting savings from “non-resource programs”
  - Evaluation cycle covering all programs



## Uncertainties, Constraints and Issues for Efficiency

- Data on efficiency potential are outdated
- Policy objectives for programs are ambiguous
  - KW vs. kWh – balance or emphasis on one?
  - Short-term vs. long-term investment?
  - Peak savings definition?
  - Performance basis?
- Ramping up programs may be difficult
  - New programs, new implementers could slow



## Uncertainties, Constraints and Issues for Efficiency (2)

- Inaccuracies in measure-level saving estimates reduce certainty for projected savings
- Better information is needed on standards compliance and benefits to state
- Consumer response needs to be understood and encouraged if goals are to be met
- Shortage of staffing for EM&V work



## Options for Reducing Uncertainties and Constraints

- Link programs clearly to State's energy policy objectives
- Improve feedback of efficiency program results to policy makers and public
- Update evaluation parameters regularly
- Use statewide approach to new construction, marketing and outreach
- Provide regulatory staff the resources and data to evaluate programs and analyze end-use impacts





## Options for Reducing Uncertainties and Constraints (2)

- Update information on benefits derived from standards through independent evaluation
- Improve customer voluntary response and program participation
  - New forms of feedback
  - Inclusion of AB 549 retrofit market strategies in programs
  - Application of social science and behavioral economics research to program planning, marketing, and evaluation
- Meet kW needs by more effectively integrating DR and DG with EE